Driving Luxury Growth with AI Market Intelligence

Transforming the Merchandising Landscape

LECTRA

INDEX

FUELING LUXURY SUCCESS WITH AI

This past year, the luxury sector experienced a notable slowdown, signaling a shift in consumer behavior amidst economic uncertainty. Despite initially weathering inflationary effects, luxury brands faced challenges as key markets observed diminished sales growth, compared to the post-pandemic boom. This change reflects shifting demand as consumers scale back on spending. Shoppers who reveled in the post-pandemic dopamine kick, have slowed spending on luxury fashion, representing the aspirational, entry-level segment of luxury. While entry-level luxury witnesses spending declines, ultra-wealthy shoppers remain a robust driver for luxury sales. Where some brands continue to thrive, others need to reignite sales growth.

Given this dynamic landscape, luxury fashion brands must reassess their merchandising strategies to adapt to changing economic circumstances and shifting demand. The question arises: **how can luxury brands optimize their retail strategies to foster growth and resilience amid uncertainty?**

The answer lies in the strategic adoption of real-time data insights.

Dive in to gain insight into crafting a winning retail strategy for your luxury brand in today's market. Discover how Retviews' AI market intelligence already empowers fashion's leading luxury players to stay ahead of the curve by identifying opportunities, optimizing assortments, and refining pricing strategies based on real-time data, driving data-driven, strategic decision making. With Retviews, luxury brands are monitoring market shifts and competitors' strategies to master their own positioning and drive growth.

See how your brand can use AI to stay ahead of market shifts and leverage real-time data to optimize merchandising strategies.

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> *Integrating **Retviews** has proved essential for compiling all the information on what the competition is doing and allows us to fine-tune our collections, so they are always in step with customers' demand.*
>
> **Alessandro Ponti, Global IT Director, BALLY**

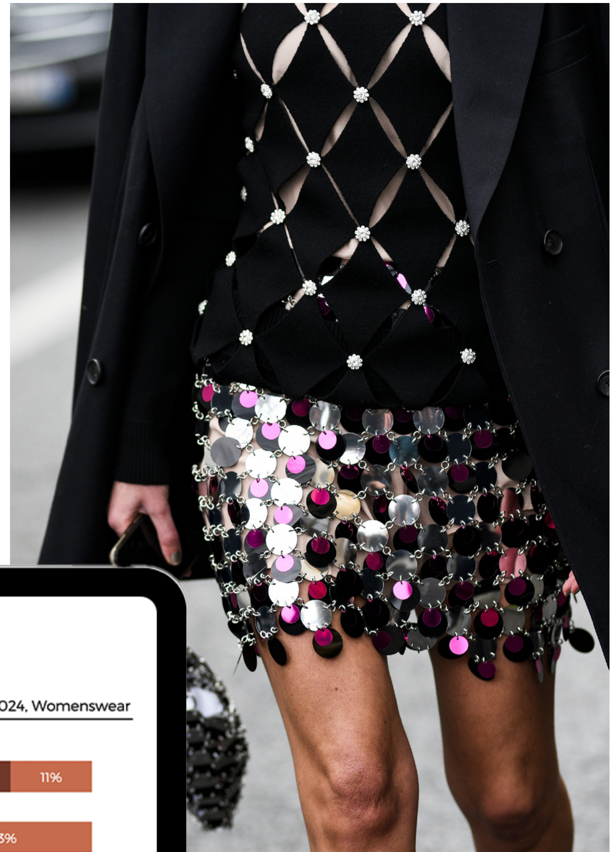
Read more ⟶

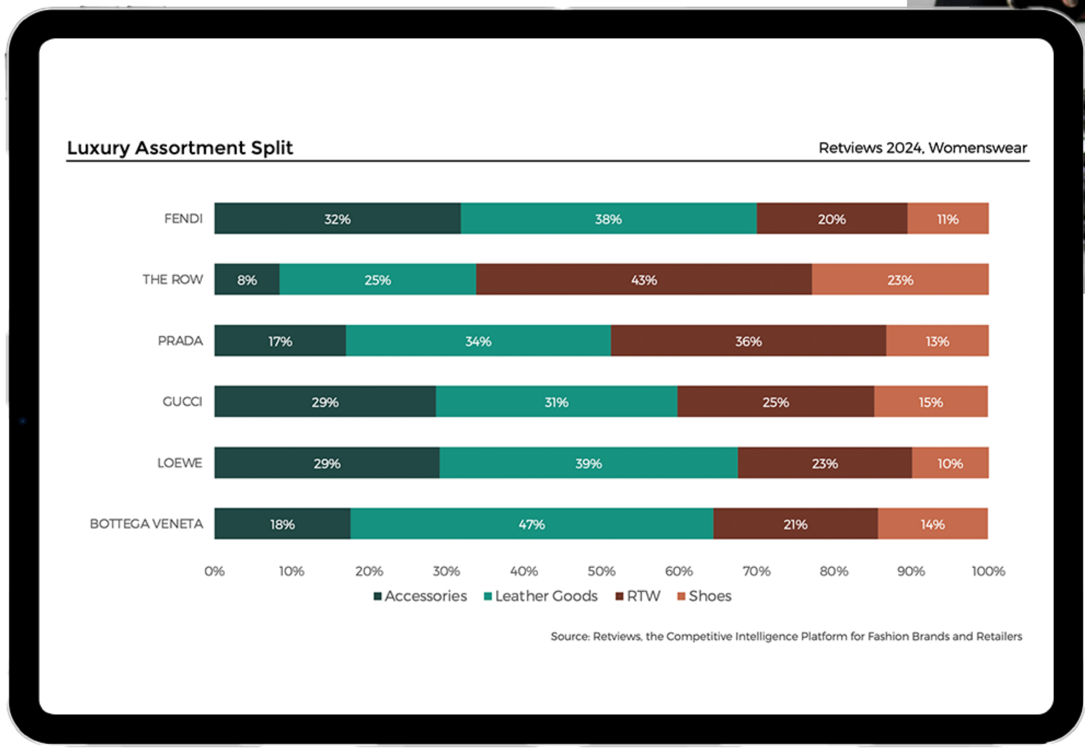
01

Decoding luxury assortments

Leather goods have long been a cornerstone of the luxury industry, accentuating exclusivity with a high-end price tag. Consequently, this category, forms a substantial portion of luxury brands' collections. Retviews' AI-powered data delves deep into how fashion brands structure their assortment mix. Trendsetter The Row stands out with a stronger focus on ready to wear and footwear compared to other market leaders.

With leather goods being pivotal in luxury, it's essential to see how brands are **adjusting assortments to adapt their offer**, considering the decline in spending from aspirational shoppers, who were major buyers of small leather goods and entry-level luxury items.



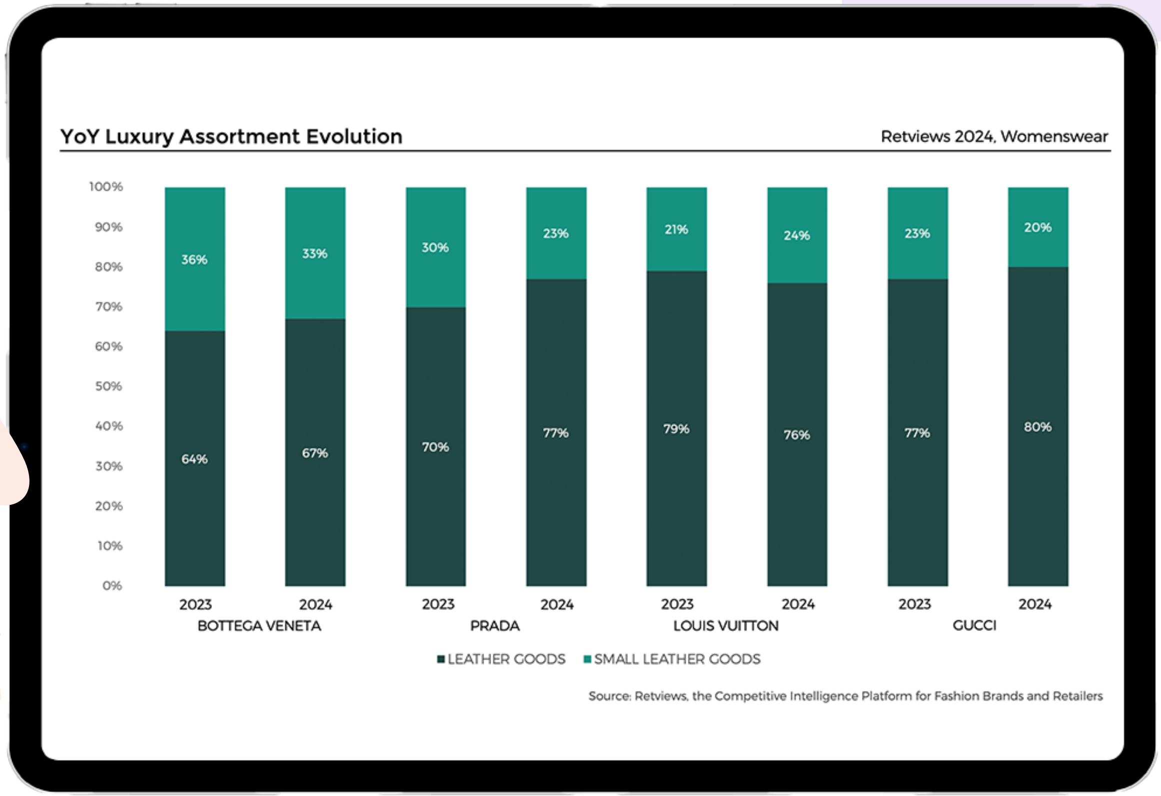


Decoding luxury assortments

Retviews' AI market intelligence offers **unparalleled real-time data accuracy.** Examining luxury brands' leather goods assortments year-on-year reveals a widespread decline in small leather goods across high-end brands. However, Louis Vuitton stands out, popular among entry-level consumers, the brand has increased its share of small leather goods year-on-year.

Tip #1

Use Retviews AI data to swiftly and efficiently identify how market leaders structure collections, identify opportunities to capitalize on, and reinforce market presence in popular categories.

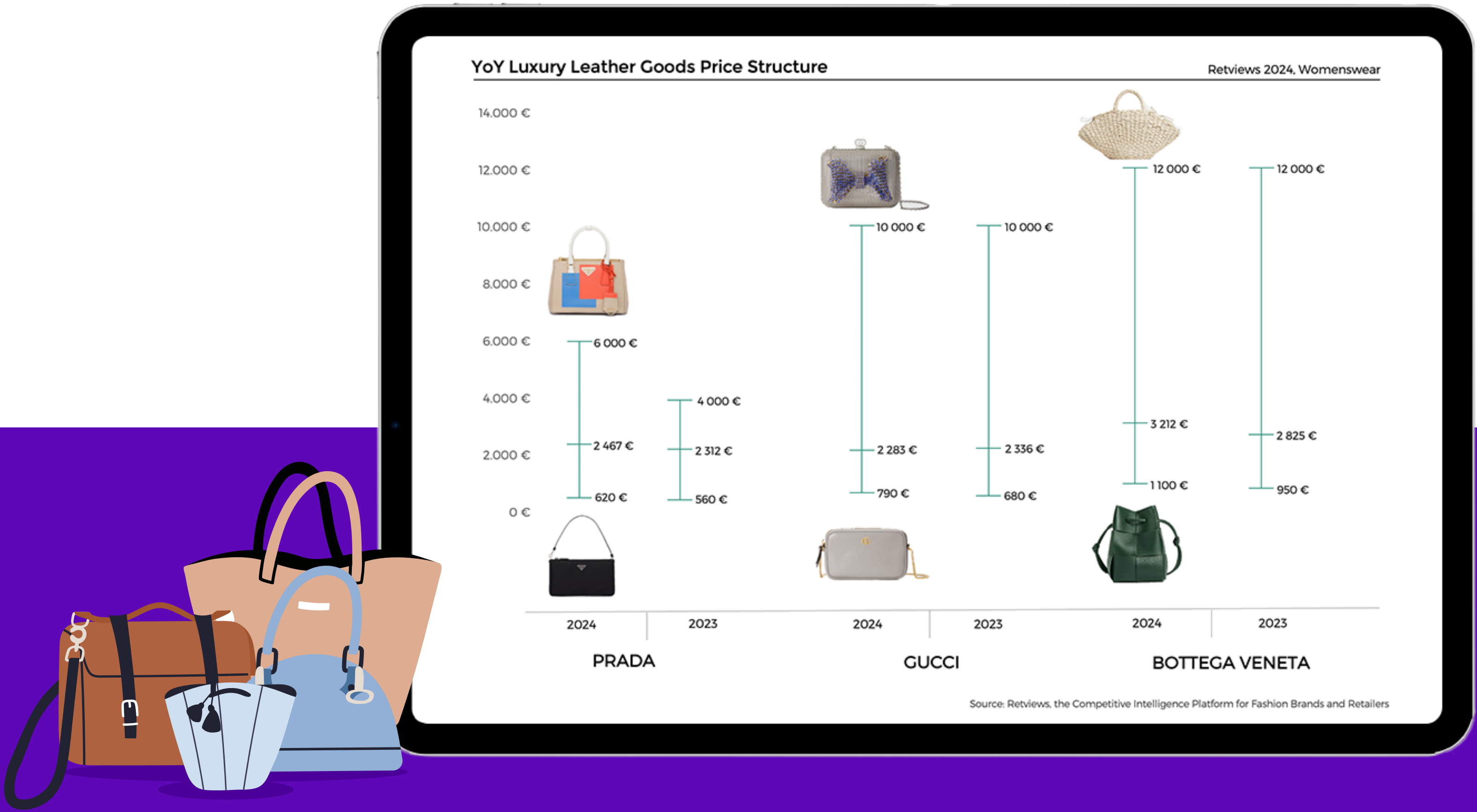


02

Optimizing price positioning

Amidst changing consumer demand and economic conditions, optimizing assortment strategy and price positioning is crucial for driving growth in the luxury market. As leather goods and small leather goods remain prominent, it's key to explore how their prices have evolved over time and where leading brands stand.

Have leather goods prices risen alongside their increased assortment share?



Optimizing price positioning

Retviews' data on price positioning reveals **a year-on-year increase in minimum prices for leather goods across top luxury brands**, with Bottega Veneta and Gucci leading with a 16% rise. Gucci, however, holds the lowest entry price for its small leather goods at 200€, best targeting aspirational shoppers. Aiming to push its collection further upmarket to remain competitive with high-end peers. Thanks to Retviews' data on pricing structures, this suggests an opportunity for pricing growth in small leather goods for Gucci.

Additionally, Prada, who holds the status of being one of luxury's trendiest brands, maintains a high entry-level price of 290€, similar to Bottega Veneta, despite holding lower minimum and maximum prices, catering less to the entry-level consumer.

Tip #2

Retviews' data provides insights into your competitors' pricing structures, enabling your brand to identify growth opportunities within your own pricing strategy.

03 Mastering global market presence

Luxury sales growth is anticipated to slow down compared to last year, to a growth rate of 3%-5% in 2024 due to reduced discretionary spending.

However, growth rates are poised to grow differently across markets, highlighting the need for luxury brands to optimize their international market positioning. While Europe, the US and China are expected to see modest growth, the Middle East and Asia Pacific show stronger growth prospects.

This highlights the extent to which tracking competitors' international pricing strategies in real-time is essential for **adapting and nailing market positioning.**

Leather Goods International Average Prices – EU Index Retviews 2024

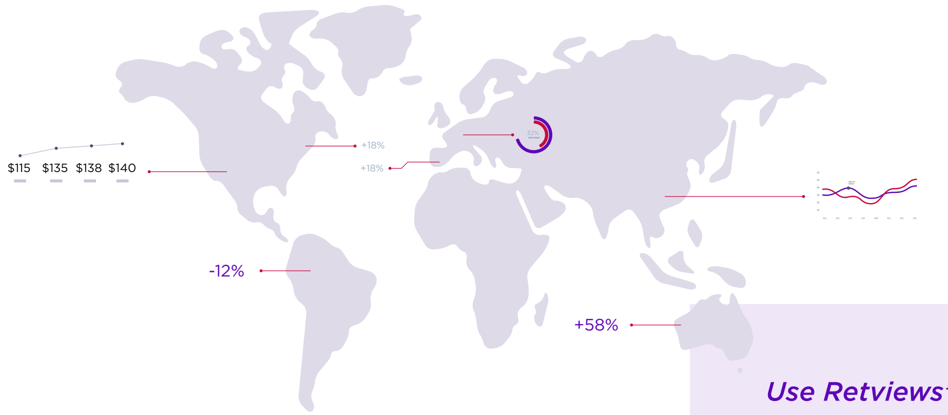
	EU	CN	JP	KR	US
PRADA	0%	+27%	+9%	+11%	+17%
LOEWE	0%	+21%	+4%	+18%	+19%
GUCCI	0%	+50%	+1%	+23%	+12%
BOTTEGA VENETA	0%	+21%	+3%	+11%	+17%
VALENTINO	0%	+33%	+1%	+9%	+22%

Source: Retviews, the Competitive Intelligence Platform for Fashion Brands and Retailers

Mastering global market presence

Retviews' international pricing data in high-end luxury reveals China as the most expensive market. With AI-powered market data, pricing teams can swiftly assess competitors' prices and global market conditions, enabling them to adjust their brand's positioning in international markets according to their pricing strategy. Want to be positioned higher or lower than competitors in specific markets? **Access to pricing structure data in real-time allows you to optimize your international pricing strategy.**

Compared to China, Japan and South Korea maintain lower price points, remaining quite flat in Japan particularly, as shown by Retviews, indicating growth potential in the Asia Pacific region, which is expected to display significant growth.



Tip #3

Use Retviews' real-time global pricing data to navigate the international market effectively. Identify which markets you wish to track and pinpoint opportunities to align international price positioning, optimizing your global retail strategy.

Mastering global market presence

High-end luxury brands share a common thread: **iconic pieces like Fendi's Baguette or Prada's Re-Edition Nylon bag.** Pricing these iconic items effectively across international markets is crucial for understanding their competitive positioning globally.

Retviews' data reveals that iconic bags across high-end luxury are priced **over 20% higher** in the Chinese market, compared to Europe. However, Prada's Re-Edition Nylon and Cleo bags showcase a wider price gap, both around 30% more expensive in China.

Mapping international pricing on iconic bags thanks to AI data enables luxury brands to monitor competitor pricing in various currencies, empowering you to **optimize pricing strategies according to brand objectives.**

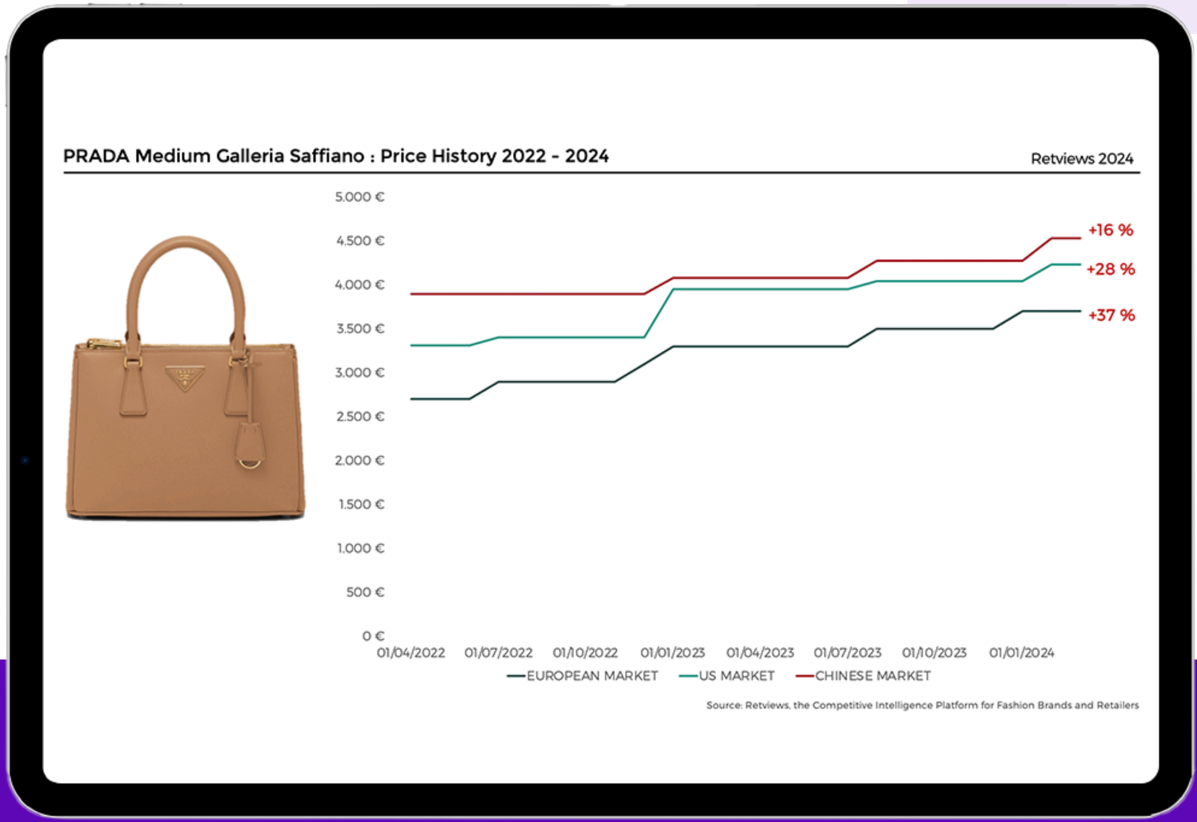
Mastering global market presence

Taking a look at one IT bag in particular, the Prada Galleria Saffiano, Retviews data not only reveals current international price structures but also provides **historical pricing data**, enabling efficient tracking of the evolution of iconic pieces in various markets.

In 2022, the bag showed a similar price difference between Chinese and US markets. However, recent price increases have brought the US price closer to the Chinese market in 2024.

Leverage AI-powered data to analyze the positioning of iconic handbags in each international market and track their global price evolution, ensuring you are well positioned next to competitors.

Tip
#4



04 Inside luxury price increases

Luxury brands regularly raise prices on iconic pieces, to capitalize on their popularity and cover increasing costs. Using Retviews is a key factor in allowing you to **track market trends and price evolution**, highlighting which brands shift prices, how often, and by how much. Retviews' AI-powered data employs advanced image and text recognition to track price shifts over time.

Analysis of the last 6 months of 2023 reveals differing price increases across leading luxury brands' leather goods. Within this time period, Bottega Veneta's prices increased on three occasions, totalling a 14% hike.

Tip #5

Use Retviews' AI-driven data to keep track of price increases through time, in order to see how often your competitors are increasing prices and on which items, identifying popular styles and allowing you to finetune your own price increases.

Leather Goods Monthly Price Increases July – December 2023

Retviews 2024

	LOEWE		THE ROW		BOTTEGA VENETA		PRADA	
	# of items	% of increase	# of items	% of increase	# of items	% of increase	# of items	% of increase
JULY					2	18%	8	6%
AUGUST			1	7%			4	6%
SEPTEMBER			4	6%				
OCTOBER							9	9%
NOVEMBER	1	3%			9	14%	4	4%
DECEMBER					2	8%		
TOTAL	1	3%	5	6%	13	14%	25	6%

Source: Retviews, the Competitive Intelligence Platform for Fashion Brands and Retailers

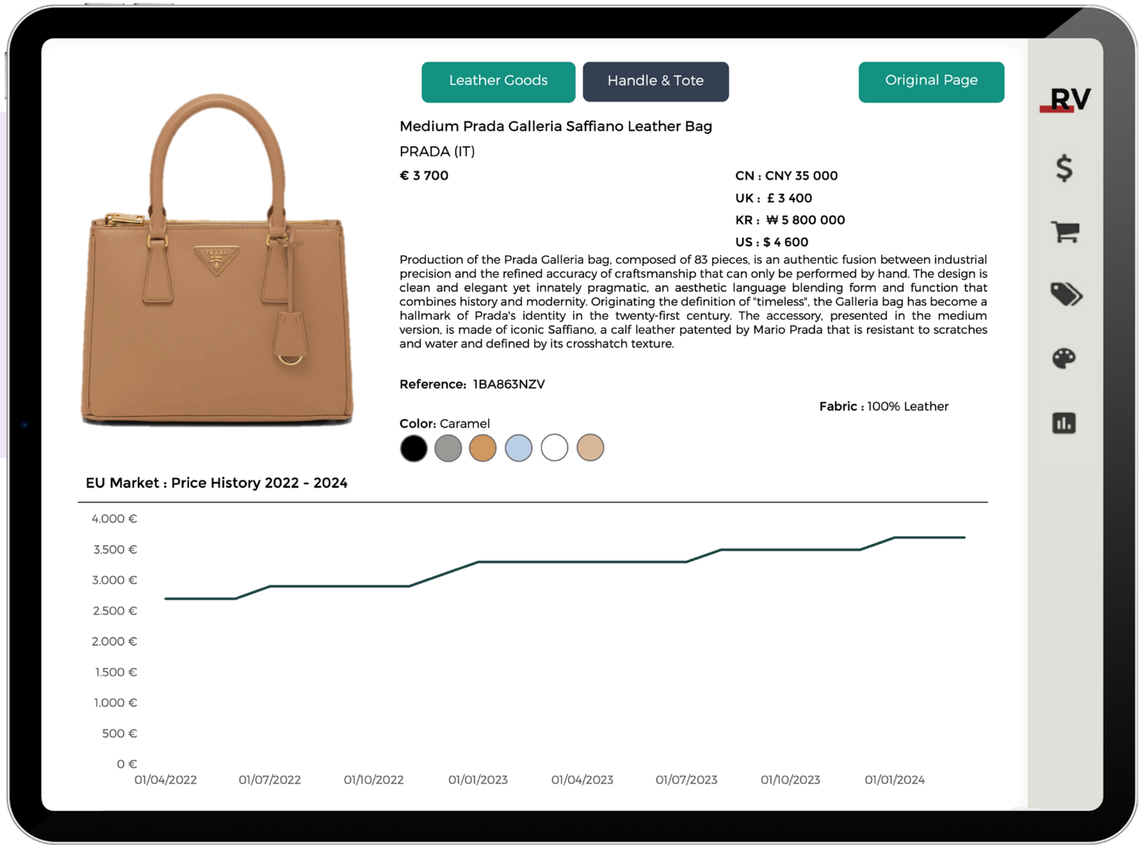
Inside luxury price increases

With Retviews' tailored product focus, your brand gains comprehensive insights into competitors' strategies, such as colorways, product details, international prices, and fabrics. The AI-driven platform highlights two recent price increases in July and January for Prada's classic Medium Galleria Saffiano bag, with an overall price hike of nearly 40%.

To ensure brands stay ahead of such shifts, Retviews provides **real-time price alerts** when competitors' iconic pieces exhibit a price shift, enabling you to monitor competitors closely and **adjust your positioning**, accordingly, ensuring your brand remains competitive.

Tip #6

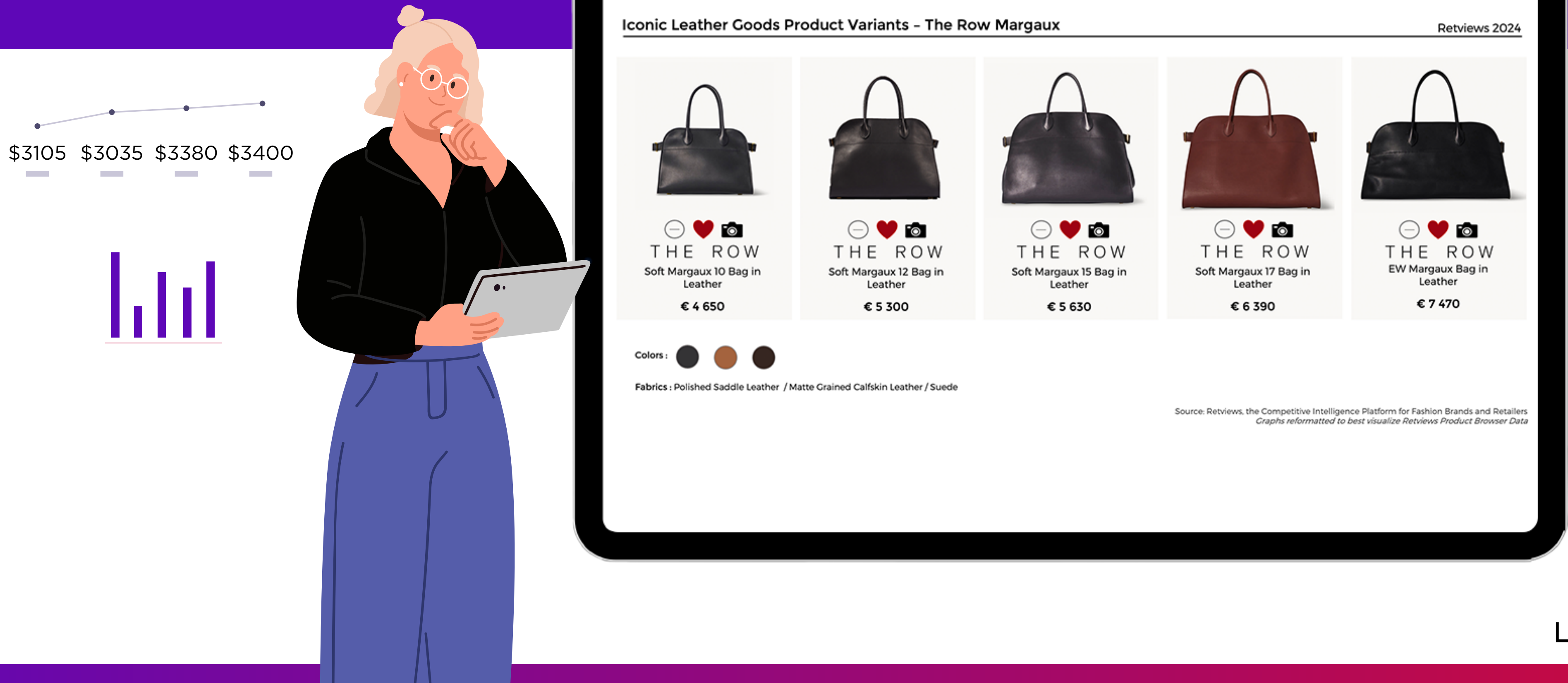
Use Retviews AI market intelligence to get real-time email alerts as soon as the prices of your competitors' key pieces increase and thus price your collections, accordingly, optimizing margin growth.



05 The state of iconic leather goods

Iconic products are a quintessential aspect of the luxury sector and foster a large portion of a brand's recognition. **Diversifying the offering of these iconic pieces is a strategy employed by top brands**, involving the introduction of various sizes, limited edition collections, and colorways, adding intrigue and appeal among high-end shoppers.

The Row, epitomizing minimalist luxury and having solidified its market presence as a leader in everyday luxury, embodies the trend perfectly with its Margaux Bag.



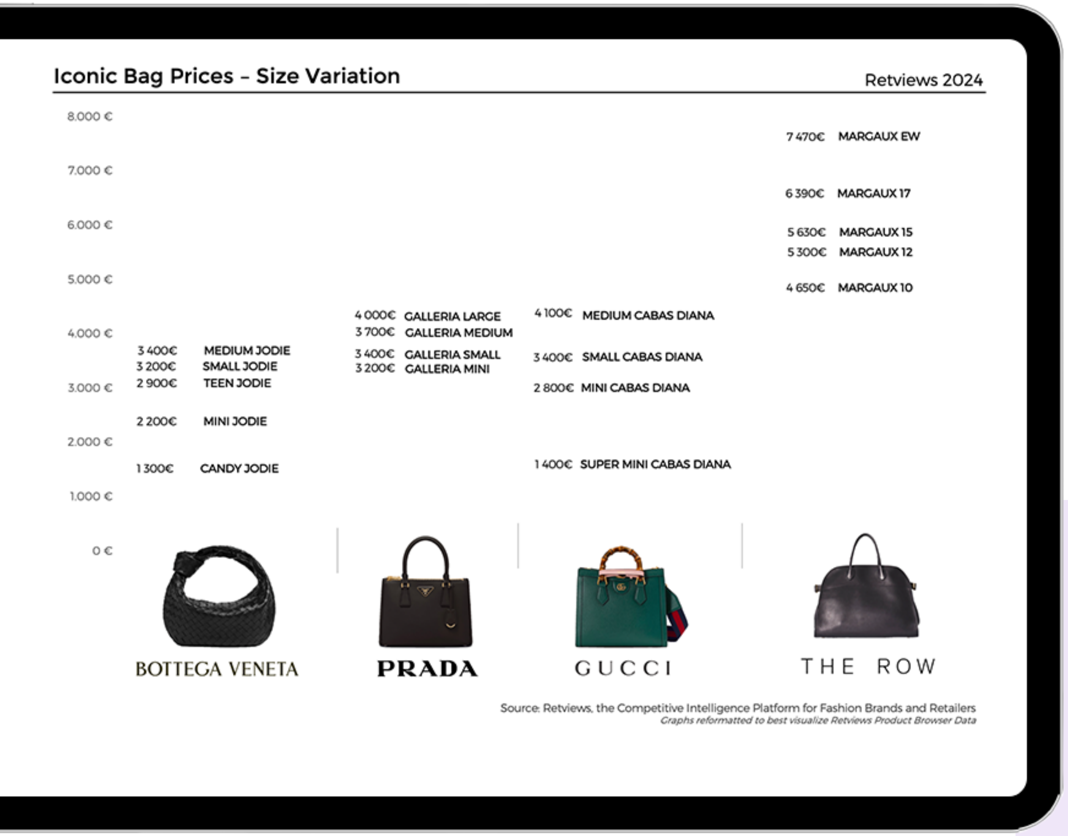
The state of iconic leather goods

Customizable dashboards allow you to filter specific features and see how your competitors present their iconic pieces. Retviews' data indicates five size variants of The Row Margaux bag ranging from its smallest Margaux 10 to the EW Margaux, available in three key fabrics, a polished saddle leather, matte grained calfskin, and suede, the first of which holds the most premium price point. Limited edition versions of the bag also contribute to price hikes, enhancing the exclusivity of the piece.

Leading high-end luxury brands frequently introduce size variations for their iconic bags. Retviews' AI data analysis highlights this trend, showcasing the five size options for Bottega Veneta's Jodie, its largest sizes 3x more expensive than its smallest, whereas Prada's Galleria Saffiano four sizes stand close in price.

Retviews' detailed product view allows for a close look of bag dimensions, revealing that all four brands offer bags around 30cm in length. Within these sizes, Bottega Veneta's Teen Jodie is significantly cheaper than Gucci's Medium Diana or Prada's Large Galleria.

Thanks to Retviews' AI retail data analytics and the tool's tailor-made "favorites" feature, brands can **monitor specific products, with detailed insights through time**, allowing for a simple and close up look at competitors' iconic pieces.



Tip #7

Use Retviews data to unveil competitors' strategies in leveraging products' iconic status, with pricing insights behind size and fabric variants. Identify opportunities for growth in pricing different versions of your iconic bags.

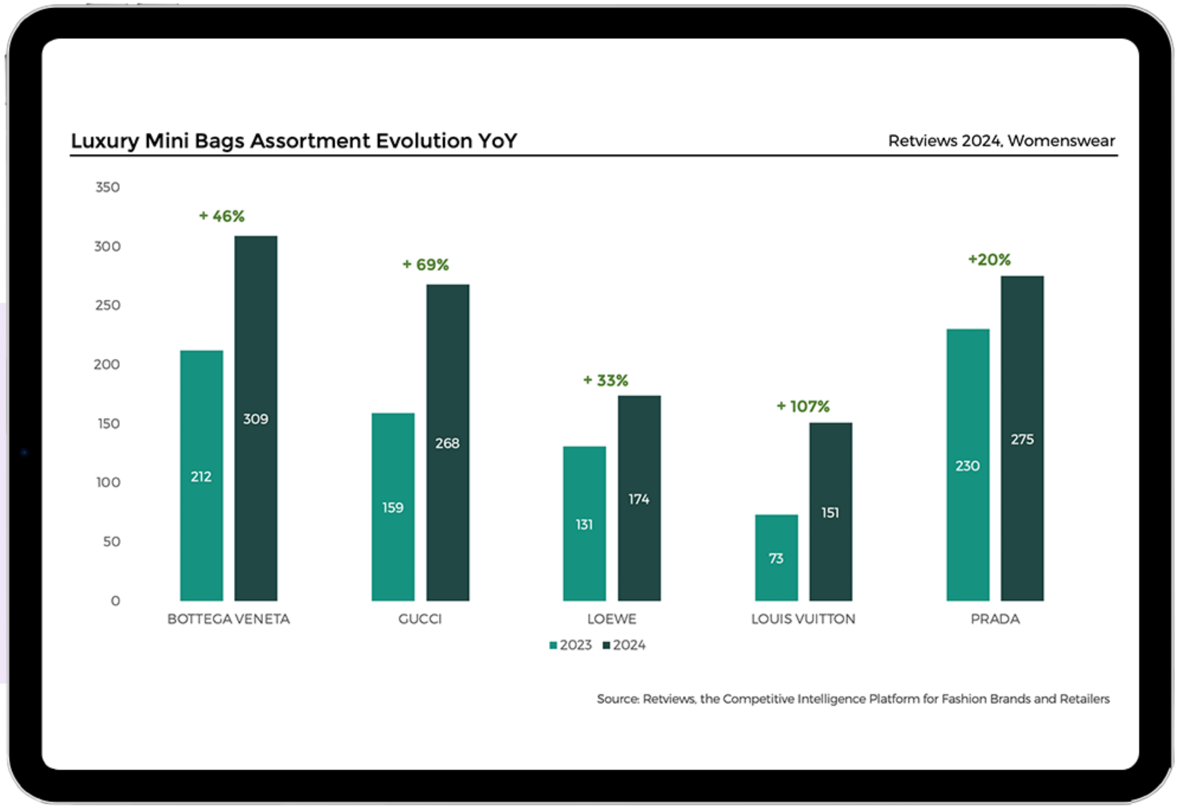
06 Luxury's leather goods trends

As the SS24 season unfolds, it's evident that **mini bags** remain a prominent element in luxury fashion weeks, indicating their enduring popularity. How have luxury brands integrated the item into their new collections?

Retviews' data on assortment evolution reveals a notable increase in the presence of mini bags in brand collections at the start of this year, compared to last year. The share of assortment and number of items in each brand's leather goods selection have experienced significant growth year-on-year.

Use AI market intelligence to pinpoint popular items in competitors' collections and uncover potential room for assortment growth within your brand. Discover if your brand is leveraging the right assortment mix to optimize profitability.

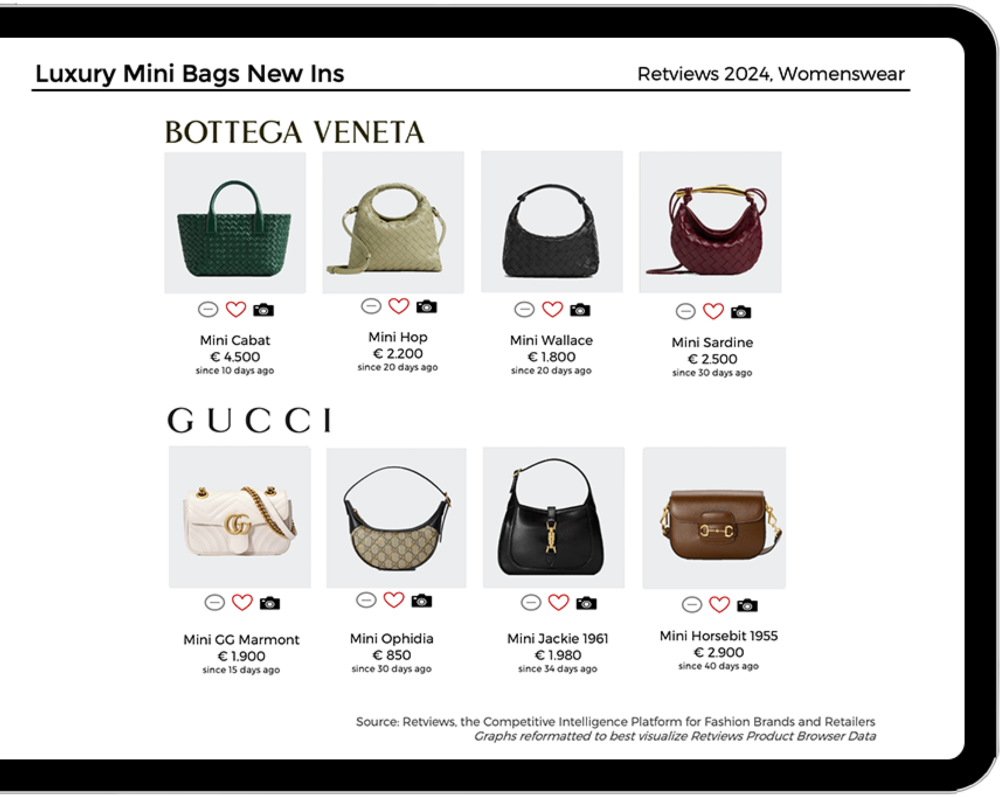
Tip #8



Luxury's leather goods trends

Retviews' cutting-edge image-based recognition is instrumental in providing detailed insights into the latest additions to brand collections. The AI-powered image labelling model efficiently processes large volumes of data with unmatched speed and accuracy, allowing brands to get the **precise details behind every product feature.**

Diving into luxury brands' "mini" bag selections reveals that many newly added small-sized bags are reiterations of iconic designs, such as Gucci's Jackie 1961 or Bottega Veneta's Cabat.



Tip #9

With Retviews' AI-powered detailed image analysis, access tailor-made filters to get a more accurate view of your competitors' assortment split, and designs to best analyze the state of market trends.

06 New product arrivals in luxury

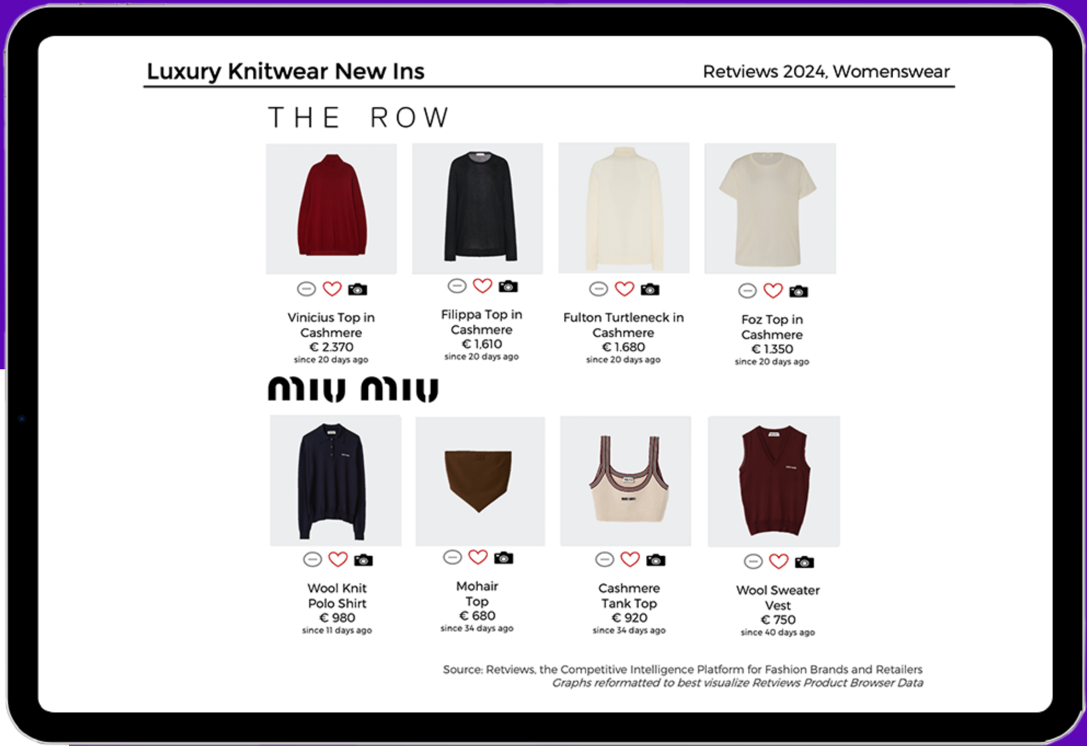
In luxury fashion, the rise of "quiet luxury" has emphasized minimalist, logo-less pieces and while the trend co-exists with its counterpart "loud luxury", it has significantly impacted brands' latest collections.

Tracking new arrivals and specifically how different fabrics are being used in collections, particularly ready to wear, is crucial. The popularity of minimalism has also contributed to the growth in **premium knitwear as a trend***, reflecting a more casual approach to high-end luxury apparel.

* **wmagazine.com**

Retviews' AI real-time data enables merchandisers to track competitors' new collections on a regular basis, an essential element in monitoring launch frequencies and the number of items being launched. Real-time alerts notify you when new items are launched in competitors' collections, helping to nail the frequency of your own drops.

Observing recent launches in cashmere and wool fabrics, both The Row and Miu Miu are launching **neutral, minimal pieces at premium prices.** One key element is the addition of burgundy and cherry red shades in their new arrivals, among today's hottest shades.



Tip #10

Use Retviews for real-time alerts on competitors' new launches, ensuring optimal timing for your own new collection drops and leverage unrivalled image-based recognition to optimize collaboration with design teams.

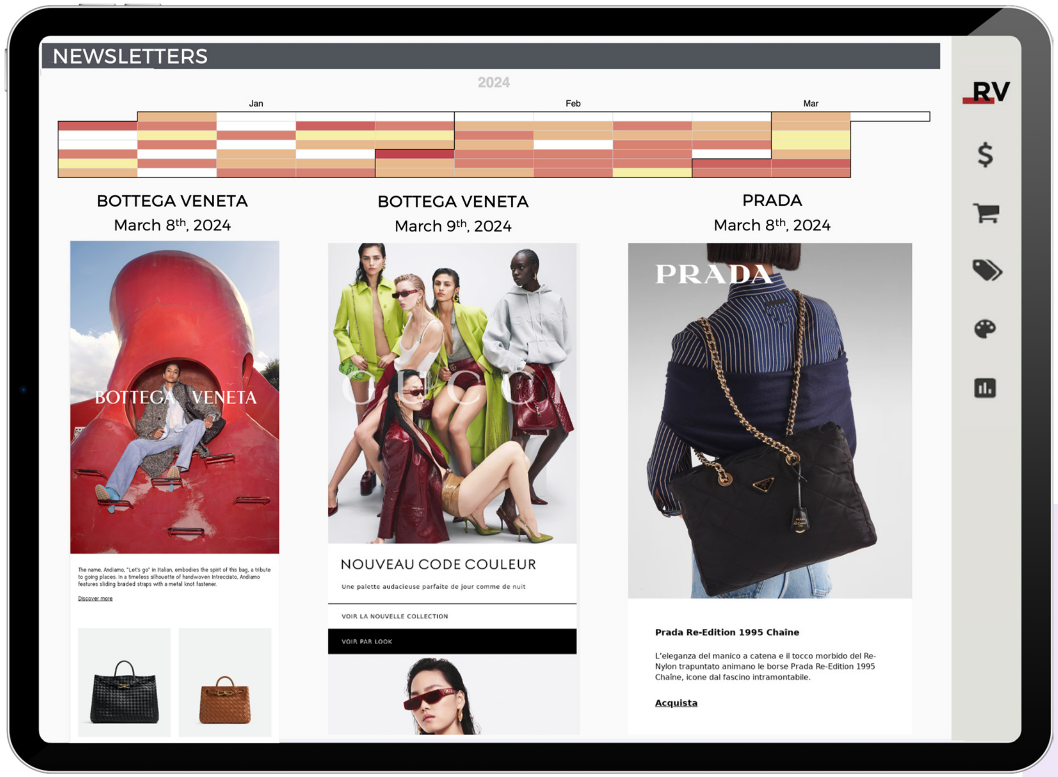
07 Mastering marketing impact

Effective marketing is crucial in optimizing brand image and successful launches. Monitoring competitors' newsletters and website changes reveals when they launch new collections and how they are marketing them.

Retviews' AI allows fashion brands to **track competitors' promotional activities, filter by topics or product categories** to see how often and when competitors promote specific items.

In recent newsletter communications from high-end brands, both Bottega Veneta and Prada are promoting their latest bag launches. Bottega Veneta highlights its "Andiamo" bag featuring size and color options, while Prada focuses on its 1995 Re-Edition bag. In contract, Gucci introduces new colorways, including the trending dark cherry red shade.

Retviews' AI enables tracking of newsletter timing, frequency, and release dates, providing **valuable insights into competitors' marketing strategies.**



Tip #11

Use real-time data to track competitors' marketing activities and stay ahead of their latest launches and promotional activities thanks to AI, to pinpoint ideal release times and topics for your brand.

08

Luxury's presence on marketplaces

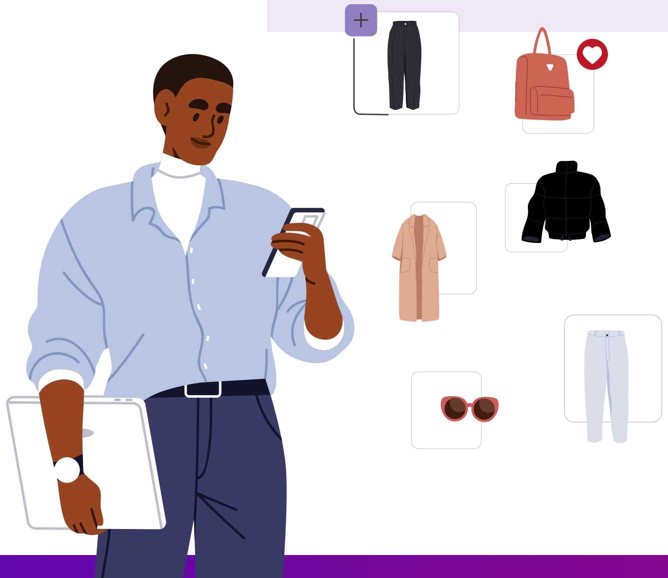
In the luxury market, having a strong marketplace presence has been essential for reaching a wider consumer base. However, it's equally if not even more, important to protect luxury brand image while doing so. Retviews offers fashion brands insights into how your competitors' assortments are distributed across sales channels, the size of your own assortment across sales channels and how your products are being discounted across retailers' platforms.

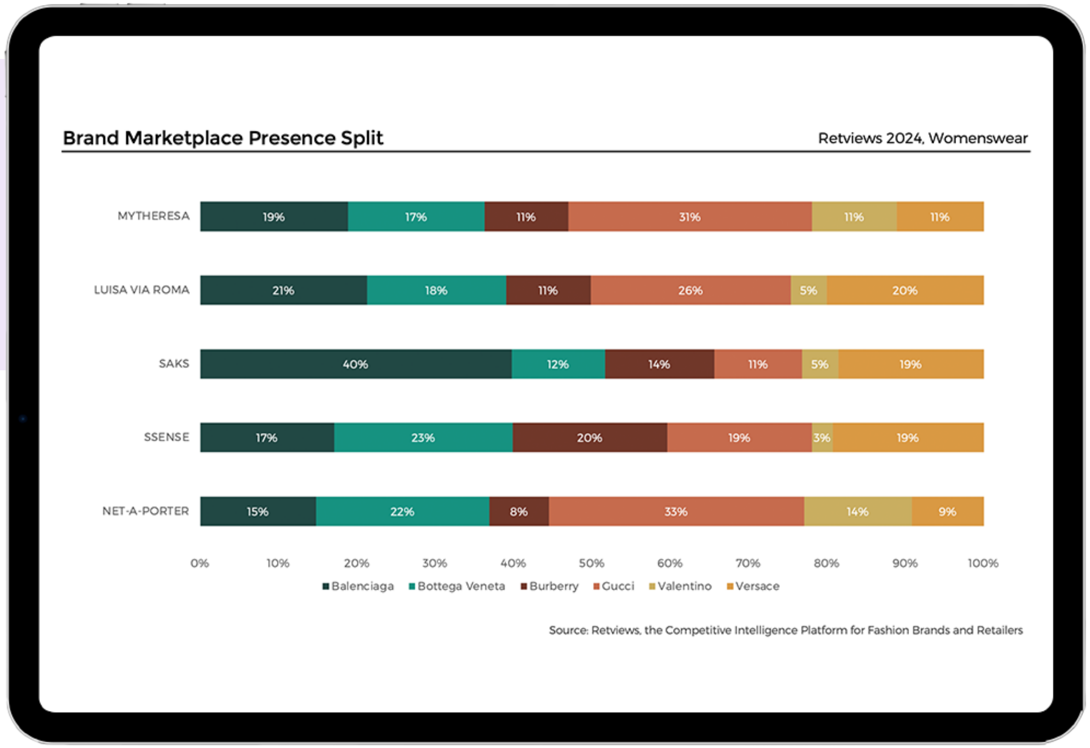
This allows your teams to **optimize marketplace presence while preserving brand integrity.**

Retviews' data on marketplace presence indicates consistent presence across brands such as Bottega Veneta and Gucci on most marketplaces, with a lower assortment share within Saks. Balenciaga on the other hand, holds a significant assortment share within Saks. AI powered insights also allow brands to spot gaps and readjust their assortment split across sales channels ensuring you are selling the right categories every time.

Tip #12

Use AI-powered data to keep a close eye on your brand's distribution on marketplaces to ensure you are well positioned across sales channels, next to your competitors.

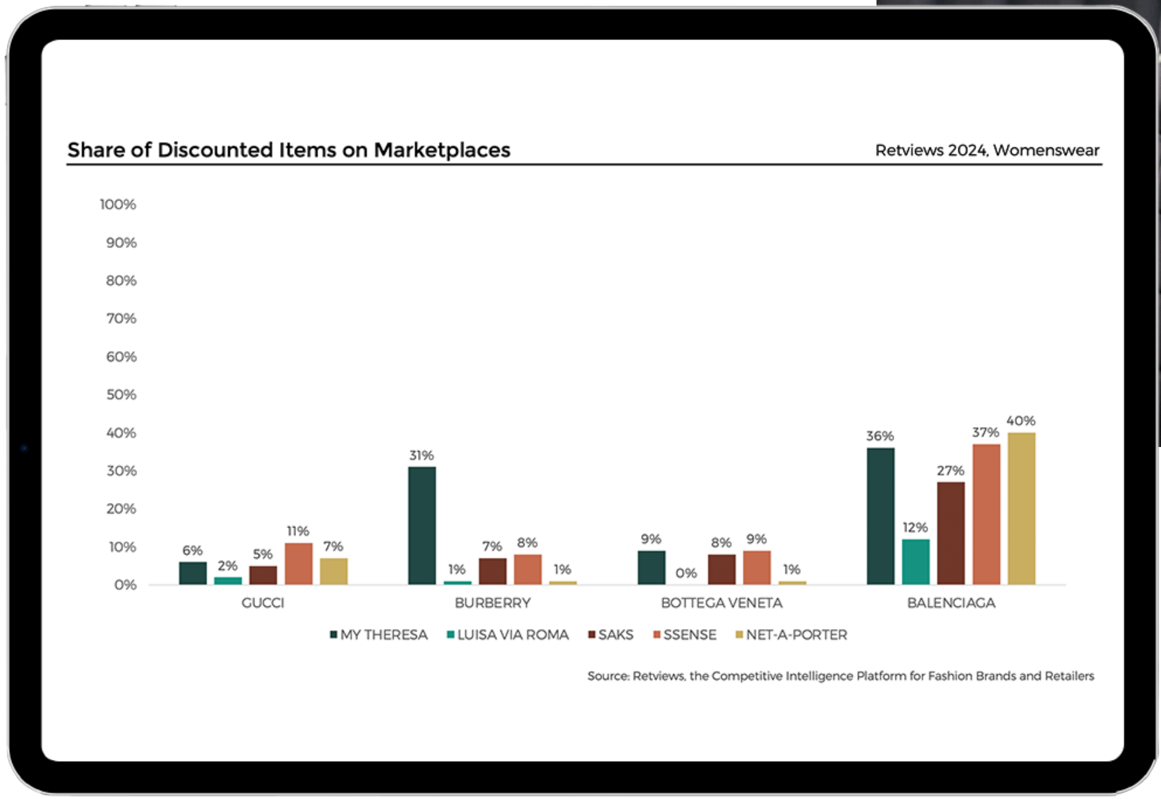




Luxury's presence on marketplaces

Luxury brands typically offer minimal discounts on their own e-commerce platforms, but occasional discounts occur on sales channels.

Retviews' real-time data enables brands to **track marketplace discounts**, allowing wholesale and ecommerce teams to keep a close eye how your brand is being priced. Gucci and Bottega Veneta show lower proportions of discounted items on marketplaces compared to Balenciaga.



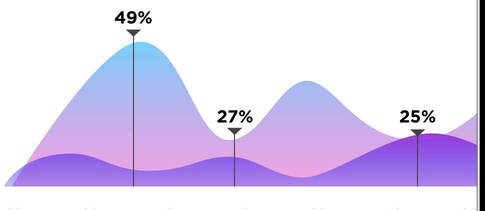
Luxury's presence on marketplaces

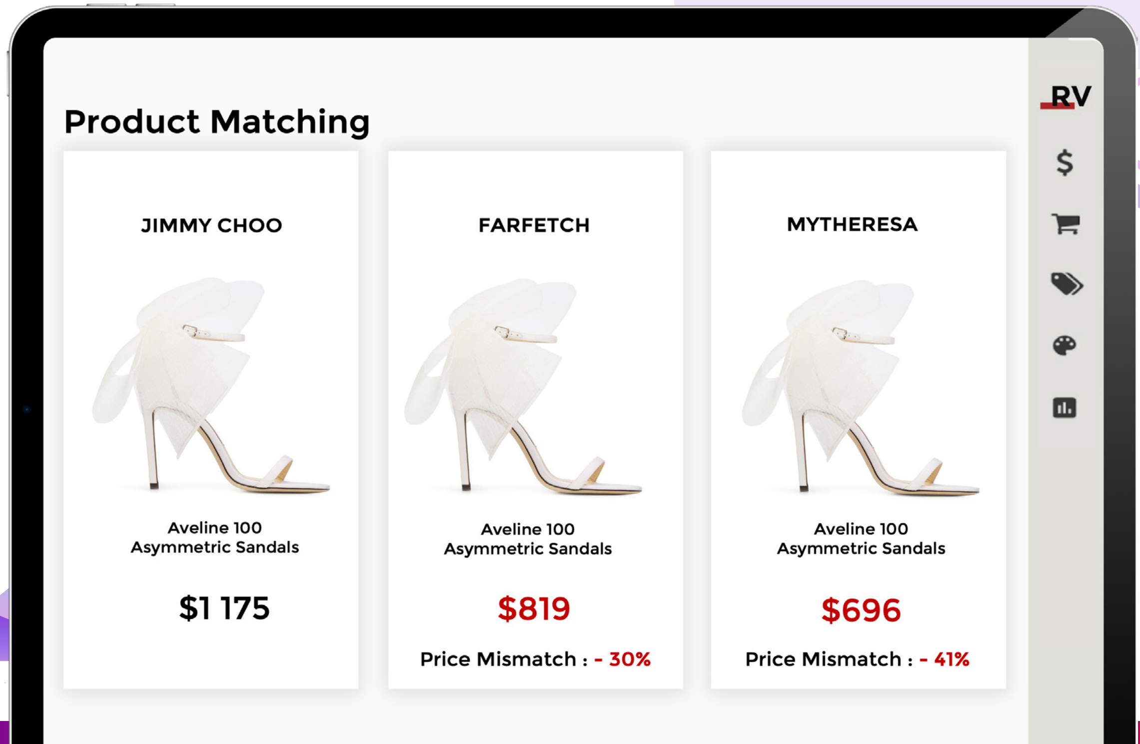
Considering the continued prominence of sales channels as well as the evolution of their success in the fashion industry, from their post-pandemic surge to a slowdown, protecting brand image is a key element in ensuring your brand is well positioned across sales channels. **Jimmy Choo's popular Aveline high heel sandals** are exhibiting strong discounts across sales channels Farfetch and MyTheresa, both having a low product stock as well and presenting price mismatches of 30% and 41% respectively.

Once your teams are able to identify the ideal marketplace positioning thanks to market intelligence, you can take your marketplace offer one step further with **Neteven, Lectra's marketplace management platform**, allowing you to boost your sales across channels and centralize order management to retail full control of your brand.

Tip #13

With Retviews' product match AI, digital wholesale teams can spot price discrepancies in real-time and avoid brand erosion.





THE KEY TO REVOLUTIONIZING LUXURY MERCHANDISING LIES IN AI

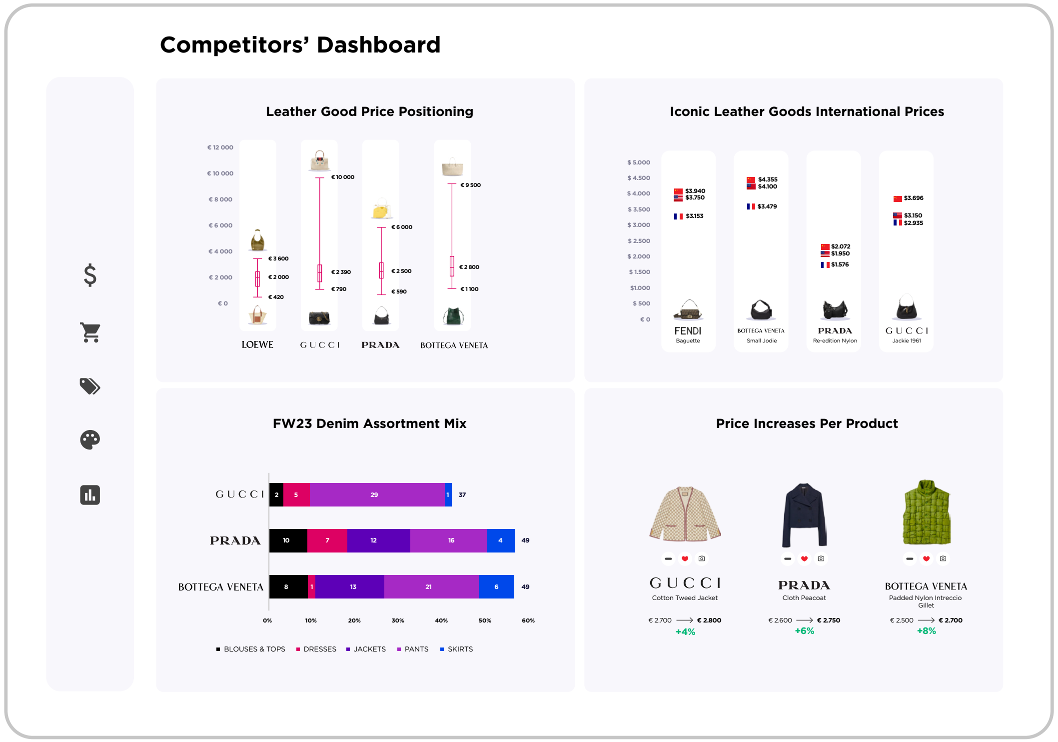
Retviews has become the leading AI market intelligence platform to help luxury brands' navigate the competitive landscape and has been a key player in optimizing positioning across the luxury fashion sector.

Lectra's retail data analytics platform is ushering in a new era of strategic agility and competitive advantage with tailor-made, real-time insights that empowers fashion brands to better identify emerging trends, assess competitors' strategies and in turn optimize their product mix, price positioning and omnichannel strategy to make more confident, data-backed decisions.

Leveraging cutting-edge AI data, Retviews market intelligence is reshaping merchandising.

Master Collection Planning with the Leading AI Market Intelligence Solution for Fashion Brands

Leverage the power of real-time retail data analytics to revolutionize your merchandising strategies.



- **360° view** of your competitors' collections, pricing, and discount strategies in real-time.
- **Customizable dashboards** with a tailor-made view of your competitors' data 24/7.
- Make **confident, data-backed decisions** to optimize brand positioning.
- **Maximize margins** with the ideal product mix at the right price point, each time.

Discover how you can leverage the power of AI to optimize merchandising.

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